



EMPERADOR INC.

EMPERADOR INC.

FY2022 Results Briefing

13 April 2023



Whiskies

Brandies



EMPERADOR INC.



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2022 Financials

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Our Strategy

2022 Financials – Revenue Highlights

Php62.8
billion
+12% YoY
Revenue

Php 40.7
billion
+9% YoY
Brandy Revenue



Php 22.1
billion
+18% YoY
Whisky Revenue

* Income attributable to parent

2022 Financials

Last Year's Revenues – Another Record High

| | 4Q22 | YoY | 2022 | 2021 | YoY | Commentary |
|--------------------------|------------------|-------|-------------------|-------------------|-------|--|
| Revenue | 20,128 | 14.5% | 62,767 | 55,936 | 12.2% | Driven by sought-after products across the globe in Asia, North America and Europe |
| Gross profit (Margin) | 6,002 (31.9%) | -2.3% | 19,130 (31.5%) | 20,037 (36.5%) | -4.5% | Dampened by higher COGS |
| EBITDA (Margin) | 3,615 (18%) | -12% | 13,807 (22%) | 15,225 (27.2%) | -9.3% | Higher opex in response to increased re-opening around the world |
| Net profit (Margin) | 2,876 (14.3%) | 6.1% | 10,061 (16%) | 9,971 (17.8%) | 1% | Flat due to higher COGS and opex |

* In million Php; Revenues net of intersegment; Income attributable to parent

** Consolidated revenues including sales and other income

***Gross profit margin computed as gross profit / sales; EBITDA margin computed as EBITDA / consolidated revenues; net profit margin computed as net profit / consolidated revenues

2022 Financials – Brandy Segment

Revenues at an All-Time High Amidst the Vagaries of the Segment

| | 4Q22 | YoY | 2022 | 2021 | YoY | Commentary |
|--------------------------|------------------|--------|-------------------|-------------------|--------|--|
| Revenue | 13,802 | 11.4% | 40,687 | 37,233 | 9.3% | Up despite challenges... |
| Gross profit (Margin) | 3,047 (23.3%) | -25.9% | 10,044 (25.2%) | 12,637 (34.1%) | -20.5% | ...but higher COGS |
| EBITDA (Margin) | 2,539 (18.4%) | -20.1% | 8,090 (19.6%) | 10,713 (28.2%) | -24.5% | Higher opex in response to increases in marketing and sales activities |
| Net profit (Margin) | 1,735 (12.6%) | -18.1% | 5,524 (13.4%) | 7,403 (19.5%) | -25.4% | Down due to higher COGS and expenses |

* In million Php; Revenues net of intersegment; Income attributable to parent

** Consolidated revenues including sales and other income

***Gross profit margin computed as gross profit / sales; EBITDA margin computed as EBITDA / consolidated revenues; net profit margin computed as net profit / consolidated revenues

2022 Financials – Whisky Segment

Higher Revenue and Earnings Share to EMI

| | 4Q22 | YoY | 2022 | 2021 | YoY | Commentary |
|-----------------------|------------------|-------|------------------|------------------|-------|---|
| Revenue | 6,325 | 22% | 22,080 | 18,704 | 18.1% | Driven by stronger single malt business in key markets like Asia and Europe as well as travel retail |
| Gross profit (Margin) | 2,956 (45.5%) | 45.3% | 9,086 (42.2%) | 7,400 (39.9%) | 22.8% | Continued focus on high-margin branded business, particularly single malts, seemingly less vulnerable to higher inflation |
| EBITDA (Margin) | 1,076 (17%) | 15.3% | 5,716 (25.7%) | 4,512 (24%) | 26.7% | Stable and growing despite higher opex |
| Net profit (Margin) | 1,140 (18%) | 91.9% | 4,537 (20.4%) | 2,568 (13.7%) | 76.7% | Higher sales and margins |

* In million Php; Revenues net of intersegment; Income attributable to parent

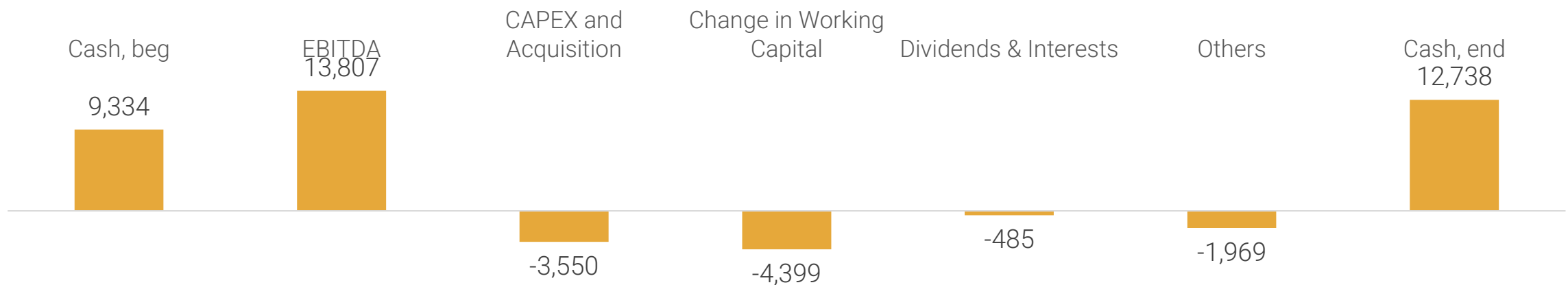
** Consolidated revenues including sales and other income

***Gross profit margin computed as gross profit / sales; EBITDA margin computed as EBITDA / consolidated revenues; net profit margin computed as net profit / consolidated revenues

2022 Financials – Cash Position

Strong Cash Position, Much Improved Gearing

| | Cash | Debt | Net Debt | Net Debt to Equity | Commentary |
|------|--------|--------|----------|--------------------|--|
| 2022 | 12,738 | 23,801 | 11,063 | 12% | Further improvement in net gearing resulting from higher cash and lower net debt |
| 2021 | 9,334 | 24,841 | 15,508 | 20% | |



* In million Php

Cash Dividends

EMI declared a total cash payout of Php 4.7 billion

| | |
|-----------------------------------|--------------------|
| Amount of Cash per Dividend Share | Php 0.29 per share |
| Record Date | May 2, 2023 |
| Payment Date | May 25, 2023 |



Malaya Business Insight

HOME BUSINESS NEWS OPINION SPECIAL SECTIONS ENTER

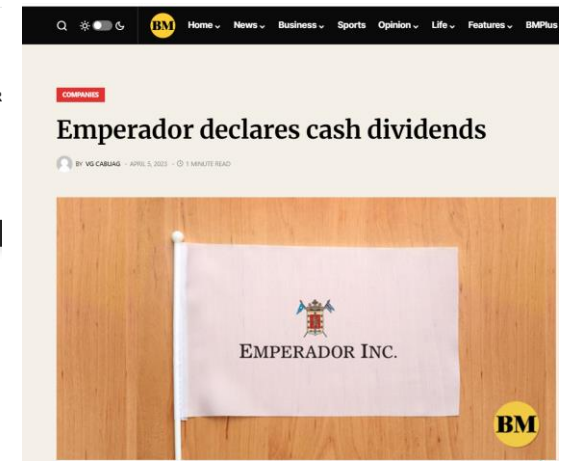
TRENDING NOW Boy Abunda, Ben & Ben in 'Family Feud' first anniversary

Tuesday, April 11, 2023

Home Emperor declares P4.7B cash dividend

Emperador declares P4.7B cash dividend

By Ruelle Castro - April 5, 2023




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COMPANIES

Emperador declares cash dividends

By VIG CABRAG - APRIL 5, 2023 1 MINUTE READ



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New year, new shoes **AB 5.0**

STOCK MARKET AND FOREIGN EXCHANGE BUSINESS

Emperador declares P4.7-B cash dividend

BY JAMES A. LOYOLA

Apr 7, 2023 11:15 AM

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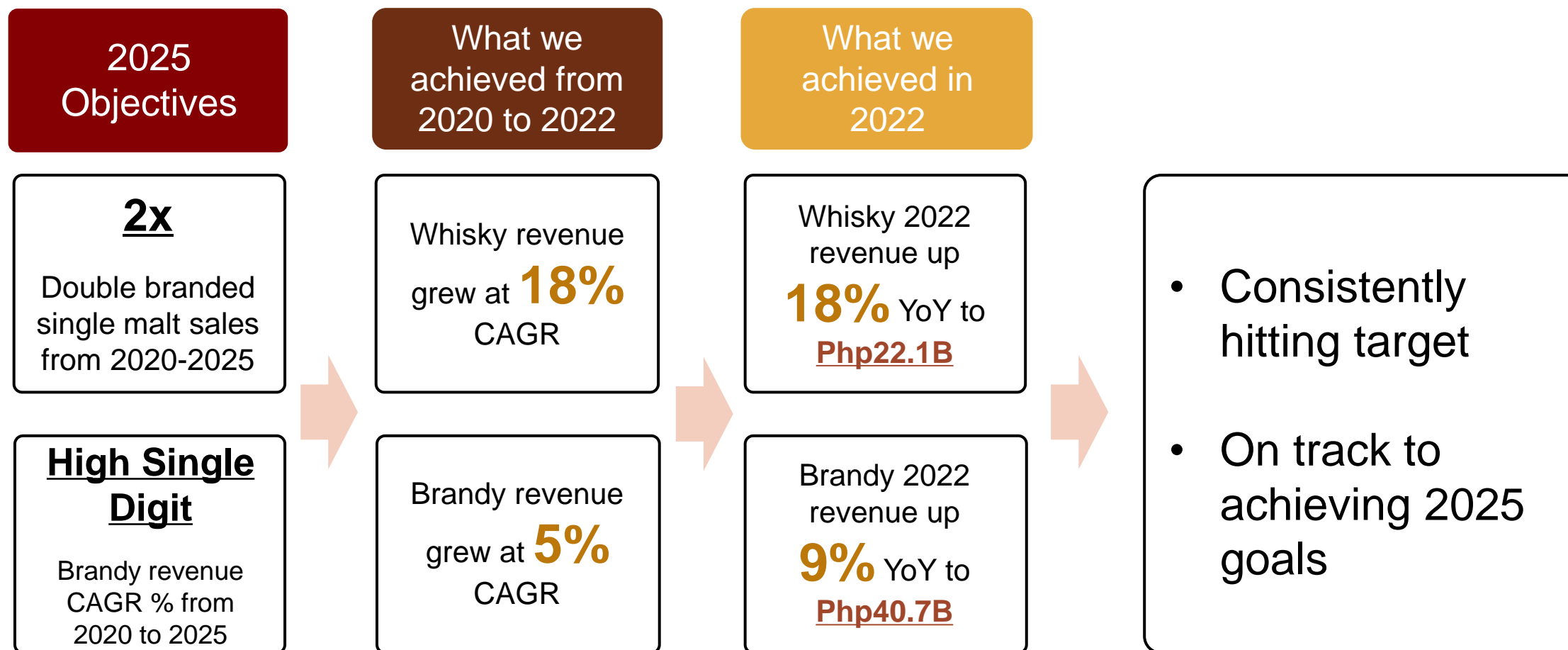
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2022 Financials

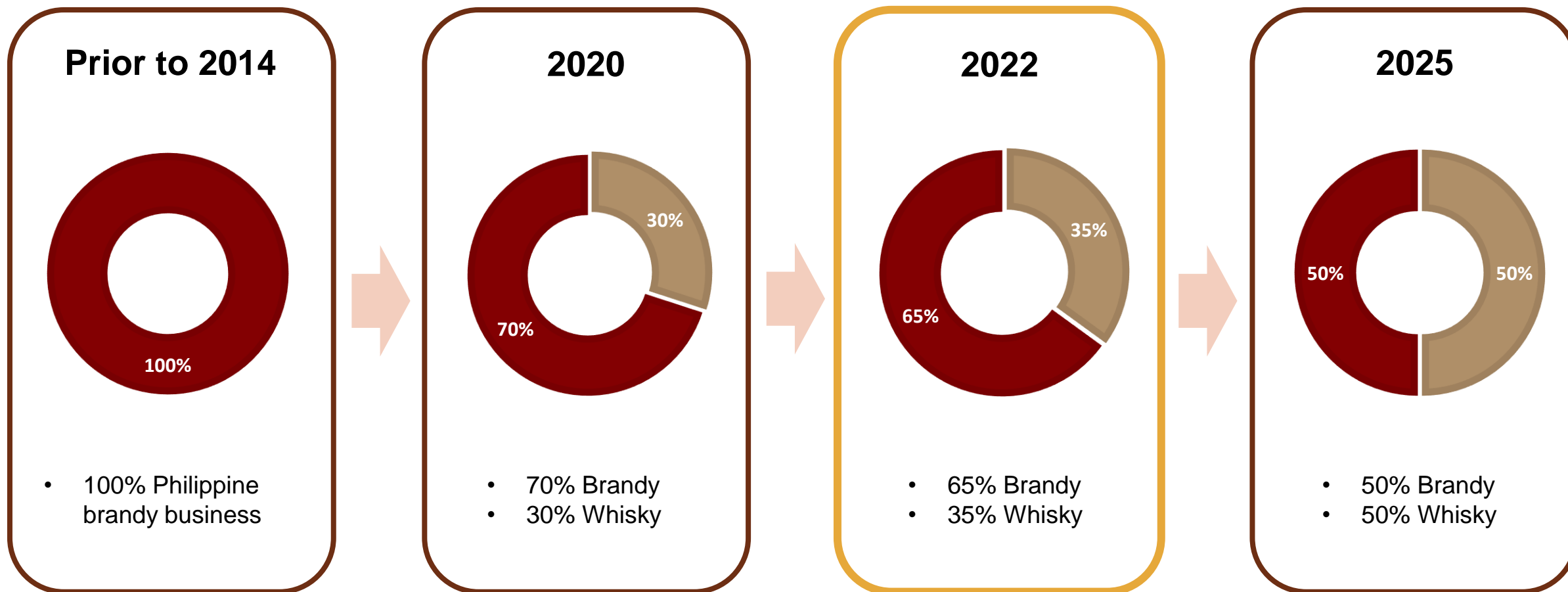
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Our Strategy

Revenues growing in line with target to meet 2025 objectives



Revenues growing in line with target to meet 2025 objectives



Our CPI Strategy



CONTEMPORIZE our offering

- ❑ Excite customers with innovative new product launches
- ❑ Rebrand and reposition key brands
- ❑ Improve brand visibility amongst millennials and Gen Z



PREMIUMIZE our portfolio

- ❑ Leverage iconic portfolio of globally recognized marquee brands
- ❑ Focus on single malts (which contribute to c.70% of our branded Scotch Whisky business)



INTERNATIONALIZE our business

- ❑ Expand globally into key focus markets targeting >50% of sales and profits outside the Philippines by 2025
- ❑ Key focus on North America and China

CPI Strategy – Contemporize

Contemporizing brandy through the sherry cask innovation

- The sherry innovation phenomenon has been on the rise globally – notably on single malts
- Capitalize on the "Sherry Cask" concept, using it as the basis of the strategy and as a platform that brings differential value to the brandy category
- Attract new consumers to the brand by leveraging on the liquid versatility provided by sherry cask
- Bring up the image of brandy de Jerez to be at par with the premium image of cognacs



CPI Strategy – Premiumize

Premiumizing whisky through elevation of single malts



We launched the first in our Luminaries series: Luminary No.1

Partnered with Kengo Kuma to launch a rare one of 3 which was auctioned at Sotheby's for over £100,000



CPI Strategy – Internationalize

EMI products are leading around the world

| Volume (2021) | Position |
|-------------------------------|-----------|
| Brand A | 1 |
| Brand B | 2 |
| Brand C | 3 |
| Brand D | 4 |
| Brand E | 5 |
| Brand F | 6 |
| Brand G | 7 |
| Brand H | 8 |
| Brand I | 9 |
| Brand J | 10 |
| Dalmore Malt Scotch | 11 |
| Brand K | 12 |
| Jura Malt Scotch | 13 |
| Tamnavulin Malt Scotch | 14 |
| Brand L | 15 |
| Brand M | 16 |
| Brand N | 17 |
| Brand O | 18 |
| Brand P | 19 |
| Brand Q | 20 |
| Brand R | 21 |
| Brand S | 22 |
| Brand T | 23 |
| Brand U | 24 |
| Brand V | 25 |

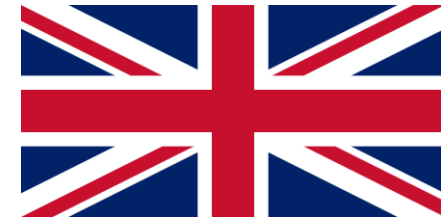
| Retail Value (2021) | Position |
|-------------------------------|-----------|
| Brand A | 1 |
| Brand B | 2 |
| Brand C | 3 |
| Brand D | 4 |
| Brand E | 5 |
| Brand F | 6 |
| Dalmore Malt Scotch | 7 |
| Brand G | 8 |
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| Brand J | 11 |
| Brand K | 12 |
| Brand L | 13 |
| Brand M | 14 |
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| Jura Malt Scotch | 16 |
| Brand O | 17 |
| Tamnavulin Malt Scotch | 18 |
| Brand P | 19 |
| Brand Q | 20 |
| Brand R | 21 |
| Brand S | 22 |
| Brand T | 23 |
| Brand U | 24 |
| Brand V | 25 |

3 of EMI's single malts are among the top 20 single malts globally by volume and value

Source: Company information, Frost & Sullivan, IWSR
 Note: Monkey Shoulder and Johnnie Walker excluded from top 25 single malts as they are blended malts

CPI Strategy – Internationalize

EMI products are leading around the world



Winning at Home

In the UK, the home of single malt Scotch, **Jura is the #1** malt brand by volume while **Tamnavulin is the #2** malt brand by volume

#1



#2



CPI Strategy – Internationalize

EMI products are leading around the world

Fastest growing among the top 20 single malts globally

#1



#2



Emperor now holds the 5th largest Scotch whisky producer ranking in both volume and value in China.



CPI Strategy – Internationalize

EMI products are leading around the world



Emperador

- #1 brandy in the world by volume



Fundador

- #1 Brandy de Jerez in the world



Terry Centenario

- #1 brandy in Spain



Presidente

- #1 brandy in Mexico



Harveys

- #1 sherry wine in the world